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EDITORIAL ON ACHIEVEMENTS AND SHORTCOMINGS  
IN FIRST YEAR OF CHINESE FIVE-YEAR PLAN

Jen-min Jih-pao  
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In this first year of our Five-Year Plan, increased production and income, austerity, and reduction of expenditures are all indispensable, in regard to both current and long-term plans, and to internal and external affairs. Generally, progress in these matters was satisfactory during the first half of 1953.

However, it must be noted that some industries did not fulfill their quotas, a number of financial organs did not realize their projected profits, and drought and flood cut down the prospect of agricultural income in some areas.

During the first half year, the national quota for total value of industrial output was met. However, some heavy industries did not meet their quotas, some products were substandard in quality, and some units did not sufficiently reduce costs. Most of the various central government industrial organs and local enterprises did not meet their plans for profits and reduction of depreciation reserves. Hence, in the industrial field much greater efforts are necessary to maintain and to exceed the government's plans.

In national reconstruction there has been some commendable progress, but because of late starts many projects that should have been completed during the first half of the year are being carried over into the second half, and their completion, even in the second half, will require a very special effort.

Because of natural calamities in a number of areas, autumn harvests will be reduced. Hence, on the food front, special vigilance in grain control and drastic austerity will be necessary.

As a result of faulty judgement of market possibilities, state-operated commercial enterprises failed to meet their sales goals. There must be a vast increase in sales during the second half of the year to meet the demand of the greatly expanded market for goods.

Tax-collection goals for the first half of the year were met, but a great effort will be necessary to maintain quotas for the second half, during which the greater part of the year's tax income must be collected.

This review of the financial and economic situation shows that the nation must exert the effort needed to meet the established goals for increasing production, increasing income, promotion of austerity, and reduction of disbursements.

Exceeding the national goals for production is the obvious way to increase income. In order to encourage industry and transport to meet the first year's goals ahead of time, all industrial organs should carry out a thorough mobilization and investigation. Every factory, mine, and transport enterprise should arouse and organize the masses [of their workers], develop latent powers, promote modern experience, and develop the most effective policies and methods for fulfilling and exceeding

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national goals. At the same time enterprises should make positive improvements in controls and planning, set up and stabilize the system of responsibility to increase production, fulfill production goals, and turn over profits to the government. Industries with assured raw materials and markets, and transport enterprises with assured cargo potentials should, with official permission, set goals for increased production. In all such increases, high quality standards must be maintained, costs reduced, and economy of materials insured, in order to increase national income.

In agriculture, the masses must be organized and the best plans must be followed to maintain production. Steps must be taken to overcome the effects of drought in the south and floods in the north by promoting increased production of late crops and planting of winter crops to achieve the highest possible production. Simultaneously, the agricultural tax income should be kept at planned levels. Legal exemptions must be granted, however, in calamity-stricken areas and all assistance given toward self-relief and prevention of food shortages in the spring of 1954. Direct government relief should be confined to the most needy areas and should be very carefully controlled.

Another important matter is the flow of goods. All state trading companies and supply and marketing cooperatives should organize purchasing (particularly of grain, cotton, and industrial consumer goods) according to plan, increase sales, speed up turnover of capital, and reduce costs of goods exchange. Thus, industrial and agricultural production will be encouraged, tax income increased, and national wealth accumulated.

Negligence on the part of trading agencies in economy of expenditures and rendering of profits must be corrected. Controls must be applied to grain, cotton, and other economic crops in order to stabilize markets.

Also important is the tax-collection system. Every effort must be made to insure full tax collections and the prevention of tax evasion and embezzlement. No looseness in tax work can be permitted.

All economic organs and enterprises controlled by them, and all administrative organs and their subsidiaries must carry out the most effective austerity plans. Wherever possible operational expenses should be reduced or postponed, and some projects should be dropped. Administrative offices must be streamlined and expenses cut. Plans for personnel increases must be dropped, wise and just reductions in force carried out, and disbursements reduced.

Party, government, and military personnel and the people, particularly the peasants, should be mobilized for austerity in order to conserve food. Civil authorities and the military should establish definite norms and requirements for food conservation.

However, such emphasis on austerity and economy does not mean the development of a negative attitude toward truly essential national reconstruction projects. On the contrary, insistence on austerity and economy in matters of lesser importance is specifically intended to make it possible to carry out to the fullest extent basic construction and all other essential projects. All looseness in disbursement of funds by financial organs should be guarded against and corrected where found.

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Since it is now September, time is short. Chinese Communist Party organizations on all levels must cooperate with central government ministries, authorities on all levels, and the people in creating and maintaining nationwide positive attitudes and actions in the matters of increased production and austerity, and increased income, to fulfill and exceed the 1953 national economic goals. The best possible use should be made of the experience gained in 1953, in order to lay the foundation for progress in 1954.

Through the cooperation of the workers, peasants, and cadres, and under the resolute experienced leadership of the party, the latent strength of the nation will be mobilized and activated in the accomplishment of all the national tasks of 1953.

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